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Mark David Goss
Chairman

Teresa J. Hill
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Gregory Coker
Commissioner

January 24, 2006

TO: PARTIES OF RECORD
RE: Case No. 2005-00369
City of Versailles

Enclosed please find a memorandum that has been filed in the record of the above-referenced case. Any comments regarding this memorandum's contents should be submitted to the Commission within five days of receipt of this letter. Questions regarding this memorandum should be directed to J.R. Goff at 502/564-3940, Extension 261.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

vh/
Enclosure

John S. Davis
Chairman
Northeast Woodford County Water
District
225A South Main Street
Versailles, KY 40383

Bruce Southworth
Public Works Director
City of Versailles
P. O. Box 625
Versailles, KY 40303

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: File - Case No 2005-00369

FROM: J. R. Goff, Staff Attorney 

DATE: January 23, 2006

RE: Adjustment of Wholesale Rates
City of Versailles, Kentucky

On January 12, 2006, an informal conference was held pursuant to an Order of the Commission. The names of those participating in the meeting are shown on the attached sign-in sheet.

After a discussion of the procedure of the conference, Commission Staff pointed out to the City of Versailles ("Versailles") the answers that were not responsive to Staff's information request. Staff explained to Versailles that it must supply the data to substantiate the requested rate adjustment and that those responses must be in a verified form, since that is Versailles's proof and would be subject to cross-examination at any hearing. Staff emphasized that Versailles must provide the facts and figures to show how much revenue it forecasts to meet the debit requirements. Versailles's position is that improvements to its system benefit all customers, including wholesale customers, and that the cost is reflected in the series of bond issues used to fund the entire improvement campaign.

The test-period information filed by Versailles was discussed. Staff advised that the test period is required to be a full 12-month period. Staff further advised that Versailles should supply the fiscal 2005 figures as used in its audit of the water system.

Next there was a discussion of the approved rate contained in the information provided by Versailles and the wholesale rate contained in its tariff approved by the Commission.

Commission Staff will correspond with Versailles and outline the areas that Versailles needs to supplement in its response. Based upon this response, new dates for the procedural schedule will be considered.

The meeting was adjourned.

In Re: PROPOSED ADJUSTMENT OF THE WHOLESALE WATER SERVICE RATES OF THE CITY OF VERSAILLES

CASE NO. 2005-00369

January 12, 2006 Informal Conference

Please sign in:

NAME	REPRESENTING
J. R. Goff	PSC
Mark Frost	PSC
JAMES RICE	PSC
Gerald Wretcher	PSC Staff
Sam Reid	PSC
STUDY BROUGHMAN	N.E. Woodford Water
William K. Movic	Versailles City Attorney
JOHN S. DAVIS	N.E. WOODFORD WTR DISTRICT
Bruce Southworth	City of Versailles